

ICOA – COVID-19 UPDATE BULLETIN - Dated September 14, 2020

(by, Kandarp Padh, Gokul Agro Resources LTD)

Hello Friends hope you all are just fine with your loved ones.

The world seems to have somewhat come to terms with the changing dynamics in all walks of life. Everything has changed in a matter of 6 months and we as humans have found new ways to keep moving forward no matter what and, that is one of the positives that one can draw from the unprecedented nature of this Pandemic that we all are dealing with.

India's Covid-19 situation is getting worse each day. The total number of cases has reached 4.6 million with more than 77,000 deaths recently reported, according to government data. We saw the highest spike of more than 97,500 cases in the past 24 hours, which is record breaking. India is the world's second most Covid effected country after the USA. These are very frightening numbers; however, it seems that the number of patients discharged to date has been more than 3.6 million which leaves the active patients close to less than one million. As far as testing is concerned, India has tested more than 55 million samples to date. It is difficult to know if India has reached the peak of Corona virus cases, there could be more cases in the future, and we are not sure if there will be a second wave.

As we all know India is in an unlocking mode and we are now in unlock phase four. The guidelines for phase four are more relaxed; more industries and businesses have been permitted to open and resume their routines. The movement of people has also relaxed, and the self-quarantine norms have also eased. Large gatherings are still not permitted; however, gatherings are restricted to a maximum of 100 persons. Cinema halls and educational institutions are still not allowed to open. It is really a scary picture worldwide, however life must go on and hence people in general have accepted the fact that Covid is going to remain for a long time and until a vaccine is available. Self- precaution is the only way to be safe and therefore keeping that in mind, all the businesses have started functioning in India and in many other parts of the world.

Indian Southwest monsoon is still in progress and the overall rainfall for the country has been 7% above normal. The monsoon this year has been good, widespread however, in some places it has rained more than 100 %. Most dams and rivers have filled up and there is adequate water available for agricultural, drinking and

other usages. The largest Dam of Gujarat on the river Narmada is almost close to its highest water level and, the canals made for its water to flow into the farthest regions of Kutchh and Saurashtra may continue to flow through the year which will be very useful for the farmers and villagers.

Sowing for Kharif crops has almost reached its peak in Gujarat as the total average available land of 8.5 million hectares have already been sown into and yet sowing activities continue. The overall area so far sown in Gujarat exceeded 8.5 million hectares and we may see a marginal increase in the same. To date the total area sown under castor is about 550K hectares in Gujarat and about 150K Hectares in Rajasthan. All India Castor sowing is currently at 738k hectares which is about 140K hectares lower compared to average area as of same date last year. Gujarat, which accounts for 80% of all India Castor seed crop has utilized its average land for Kharif sowing by more than 100%, meaning that this year the overall sowing acreages will exceed the average.

There have been instances of very heavy rain falls particularly in the areas of Kutchh, Saurashtra, Banaskantha and North Gujarat, where water logging was observed and in some of these areas there have been reports of damage to the standing crops as well recent (new) sowings. The major damage that could have happened is to the cotton crop groundnut crop, sesame and in some cases to castor crop as well. It is heard from sources that many of the farmers whose crops were damaged will opt for re-sowing. It is going to be interesting to learn what final acreages Castor seeds will be grown this season in Gujarat. However, it is to be noted that sowing of other oil seeds is not possible currently and therefore if any increase of acreages further witnessed, will have more chance of Castor seeds being planted including re-sowing. Rajasthan sowing will continue, and it is likely that the overall area for Castor sowing in Rajasthan will remain stable. We may see a marginal drop in acreages in Andhra and Telngana.

Castor seed arrivals in market yards have remained limited to 40K to 50K bags per day. Castor seed arrivals tend to remain lower during the monsoon months as the farmers remain busy in their fields. It is noted that despite several challenges, Castor seed industries have shown their resiliency and have continued to operate normally through the lockdown and to date.

Despite the challenges that the industry and exports have faced during the lockdown, recent monsoon and heavy rains in around Mundra port, the restrictions on imports has created a shortage of inventory with most shipping lines, the exports of castor oil have

continued without much trouble. Export of Castor oil has been stable; however, it really surprised the industry with its robust numbers for China. The Chinese importers have bought huge amounts of oil from June to August with an average of 30k tons per month vs. their regular purchases of 20/22k per month.

EXPORT NUMBERS :

| | <u>2019</u> | <u>2020</u> |
|--------|---------------|---------------|
| MAY | 42868 | 54257 |
| JUNE | 50577 | 48589 |
| JULY | 44101 | 65682 |
| AUGUST | 45645 | 41408 ** |
| TOTAL | 183191 | 209936 |

** 12K bulk not included.

Last, but not least mankind has faced challenges for many ages yet blessed with the skills and resilience not just to survive, but to make this world a better place to live, hope this shall too pass. Good luck friends.